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10 TRIO PETROLEUM, LLC

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
FRESNO DIVISION**

In re

TEMBLOR PETROLEUM COMPANY,
LLC,

Debtor.

CASE No. 2020-11367

Chapter 7

DCN: PRG-3

**DECLARATION OF STEVEN ROWLEE
IN SUPPORT OF TRIO PETROLEUM,
LLC'S STATEMENT OF POSITION**

Date: June 14, 2023

Time: 1:30 p.m.

Place: Courtroom 11, Dept. A
2500 Tulare Street, Fifth Floor
Fresno, CA 93721

Judge: Hon. Jennifer Niemann

1 I, Steven A. Rowlee, declare:

2 1. I am a Vice President of Trio Petroleum LLC ("Trio"). I am over 18 years-old.

3 Trio is the operator of various oil and gas properties including a property known as the Hangman
4 Hollow Area of the McCool Ranch Oil Field ("Hangman Hollow") that is located in Monterey
5 County, California. I have been the Vice President of Trio since 2002 and have been an employee
6 of Trio since 1984. I have personal knowledge of the matters set forth in this Declaration, except
7 where stated upon information and belief. I was involved with proposing and submitting Trio's
8 bid to the Chapter 7 Trustee of Temblor Petroleum Company, LLC (the "Debtor") for the
9 bankruptcy estate's interest Hangman Hollow.

10 2. I have read and reviewed the following documents that were filed by Genautica Oil
11 Holdings, LP ("Genautica"): 1) the NOTICE OF MOTION AND MOTION OF GENAUTICA
12 OIL HOLDINGS, LP TO VACATE SALE ORDER, AS AMENDED" (the "Motion"); 2) the
13 DECLARATION OF DAN SCHOLEFIELD IN SUPPORT OF THE MOTION OF GENAUTICA
14 OIL HOLDINGS, LP TO VACATE SALE ORDER, AS AMENDED (the "Scholefield
15 Declaration" or "Scholefield Decl."), and; 3) the EXHIBITS TO DECLARATION OF DAN
16 SCHOLEFIELD IN SUPPORT OF MOTION OF GENAUTICA OIL HOLDINGS, LP TO
17 VACATE SALE ORDER, AS AMENDED (the "Exhibits").

18 3. **Trio's Bid.** The cash portion of Trio's bid to the Chapter 7 Trustee for the
19 Debtor's interest in Hangman Hollow was \$10,000. In addition, the Debtor had been in arrears to
20 Trio for its interest in Hangman Hollow since 2018 and currently owes over \$242,000.00 to Trio
21 for its working-interest share of Hangman Hollow expenditures. As part of its bid for Hangman
22 Hollow, and conditioned upon Trio being the successful bidder for the Debtor's share of Hangman
23 Hollow, Trio also offered to waive this obligation. Accordingly, Trio's effective total bid was
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1 over \$252,000.00. Trio's position is that any successful bidder other than Trio would be obligated
2 to Trio for the Debtor's arrears.

3 4. **Genautica's Relationship with Trio.** Besides the Debtor being in arrears to Trio
4 for its working-interest in Hangman Hollow, Genautica, which also owns a share of Hangman
5 Hollow, is also in arrears to Trio for its working-interest in Hangman Hollow. This has been
6 going on for years. Genautica has been in default to cover its share of its expenses since 2015 and
7 owes Trio over \$240,000.

8 9. Genautica, being working-interest owner in Hangman Hollow, and Mr. Scholefield
10 have known for some time that Hangman Hollow is a producing property that is currently shut-in
11 and idle.

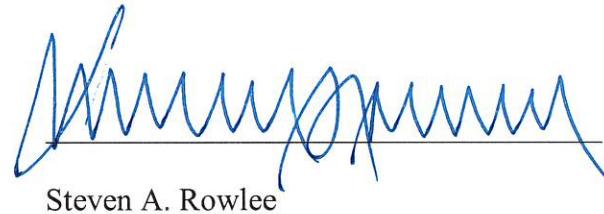
12 13. **The Sale of the Debtor's Interest.** Despite various suggestions in the Scholefield
14 Declaration, Trio was not involved in the Chapter 7 Trustee's marketing efforts for the sale of the
15 estate's interest in Hangman Hollow and Trio certainly did not collaborate with the Chapter 7
16 Trustee or his brokers on the marketing. Trio did not provide any information to the Chapter 7
17 Trustee or his brokers regarding Hangman Hollow in connection with the Chapter 7 Trustee's
18 marketing efforts. Trio has previously provided information regarding Hangman Hollow to
19 Genautica, to the Debtor before its bankruptcy and to others as well (including, the California
20 Division of Oil, Gas, and Geothermal Resources, CalGEM, WaterBoards, Petroleum Listing
21 Services, Energy Advisors Group, Energy Net), and it is possible that the Chapter 7 Trustee's
22 brokers re-purposed some of those materials, but I do not know for sure. Trio was not asked to
23 and nor did it assist in preparing or reviewing the marketing materials. Trio did not confer with
24 the Chapter 7 Trustee or his brokers regarding the marketing materials, and it did not review them
25 until after the sale hearing.

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1 7. **Being a Stalking Horse Bidder.** Ultimately, Trio reluctantly agreed to be a
2 stalking horse bidder because, among other things: (a) no one else seemed to be interested in the
3 estate's interest in Hangman Hollow; (b) it would be difficult to operate the property unless the
4 interest involved in the bankruptcy was settled, even though it would cost Trio additional funds on
5 top of what was already owed by Debtor, and (c) Trio kept having to deal with working-interest
6 holders such as the Debtor and Genautica who keep failing to perform their obligations and cover
7 their expenses, impeding any progress.

9 I declare under penalty of perjury under the laws of the United States that the foregoing is
10 true and correct, and if called as a witness I could and would testify competently thereto.

12 Signed on May 30, 2023, at Bakersfield, California.



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15 Steven A. Rowlee
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